

TO: Board of Selectmen
FROM: Towne Building Reuse Selection Committee
SUBJECT: Recommendation of Reuse proposal
DATE: 9/18/03

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The Towne Building Reuse Selection Committee has completed its work of reviewing the responses to the RFP received on August 4, 2003 and is hereby transmitting its recommendation to the Board of Selectmen. Your concurrence on September 22 will help us "hit the ground running."

Two responses were received to the Towne Building Request for Proposals. Both proposers are well established and respected nonprofit housing development corporations. They are the Women's Institute for Housing and Economic Development of Boston and Homeowners Rehab, Inc. of Cambridge. After initial review, the Committee believed that both firms could undertake the development successfully and each had submitted responsive and sound proposals. But there were important differences in the proposals.

Copies of both proposals were given to all the Committee members. Following individual review of the proposals, there were two committee meetings that included interviews on August 28 with both corporations. Principals of both firms attended the interviews and the presentations were informative. Both firms indicated great interest in doing the development. Issues arose at the interviews that required further clarification and a list of questions was sent to each corporation for supplementary answers. ***On receipt of the supplementary responses, the Committee met on September 16 at which time it made its decision to recommend to the Board of Selectmen that Homeowners Rehab, Inc (HRI) be selected. The vote was unanimous with one member absent.***

The reasons for the decision are as follows:

It was the Committee's opinion that HRI's proposal is more economically feasible, had greater financial flexibility and contingencies, and is based upon more generous funding. It proposes utilizing Low Income Housing and Historical Tax Credits. These reduce required first mortgage debt and insure sounder long-term financial viability. HRI has had much more experience with Tax Credit financing than Women's Institute. HRI also has more experience with housing development and considerably greater net worth.

HRI proposes 18 units and Women's Institute (WI) proposed 20 units. Both met the affordability requirements contained in the RFP. It was the Committee's opinion that the apartment sizes and configuration as proposed by HRI was more appropriate as mixed-income housing in Acton and more consistent with the conceptual design that had been presented previously to the Town.

The 50-year Lease was included in the RFP and both proposers had a number of issues that needed to be resolved. For example, both proposed that the lease be signed at the point of assurance of construction funding. It was the Committee's opinion that changes

requested were reasonable and could be satisfactorily negotiated. An Interim Agreement with HRI on the terms of the Lease needs to be accomplished by the end of November.

The Committee has confidence that HRI will undertake the development and later the management role with dedication and skill and a willingness to cooperate with the Town to ensure the success of the development and the achievement of the goals of the Town.

HRI is prepared to move forward promptly following selection. It is critical that drawings and specifications be prepared as soon as possible so the funding requests can be filed, certainly by next January. Zoning issues, curb cuts, and building permit requirements will have to be resolved prior to funding submissions. We will also have to apply to the ZBA for a comprehensive permit. We have much work to do.

The RFP and the proposed lease were carefully scrutinized by Town Counsel prior to their release. There was a lengthy review process by both Palmer and Dodge and Town staff. Dean Charter handled the RFP advertising, the gathering of documents, and the distribution of the packages to responders. He also gave the Committee valuable guidance on 30B procurement questions. We anticipate negotiations will commence shortly to finalize the design components, the lease, and any other outstanding issues. The Board will be kept apprised of these negotiations. It will be the Board's responsibility to sign the final lease.

We have prepared an information packet for the Board that includes: the RFP, the HRI proposal and follow-up correspondence, a chart that we used to compare the proposals, and information on Low Income and Historic Tax Credits.

In the end, our selection was based on our belief that HRI was the "more likely to succeed." This is an extremely visible project with much credibility riding on its success. The Committee has done its homework well and carefully deliberated the choices. We are comfortable with our decision and hope the Board will vote to approve the awarding of the contract to Homeowners Rehab, Inc. We are a year behind where we hoped to be due to a number of unforeseen circumstances but we believe we are now on track. We thank you in advance for your confidence in our recommendation.

Committee Members:

Nancy Tavernier, Chair (non-voting)

Don Johnson

Dean Charter

Bob Johnson

Mary Ann Ashton

Betty McManus

Bob Whittlesey

Dan Buckley

Ryan Bettez